

AMENDMENTS TO THE SPECIFICATION

Please amend the specification as shown below.

Please replace the paragraph beginning on page 14, line 9, with the following amended paragraph:

Instead of using the values given in Eq. (8), as a conceivable alternative, the ratios K_p and K_b can also be computer dynamically from the complexity of each frame of input MPEG2 picture compressed information, as is described in the reference titled [“Theoretical Analysis of MPEG Compression Rate and Application to Code quantity Control,” (Shingakugihou, IE-95, DSP95-10, May 1995] “Mathematical Analysis of MPEG Compression Capability and Its Application to Rate Control”, Jiro Katto and Mutsumi Ohta, (IE95-10, DSP95-10, April, 1995).